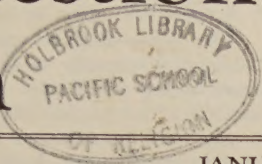


Social Questions Bulletin



me 47

JANUARY, 1957

Number 1

State of the World's Economy

President Eisenhower has just made his inaugural address. He centered the struggle of peoples around the world to effect the end of poverty, and assured his listeners that neither our country nor any other can isolate itself from that struggle's impact. In the conclusion of his address he voiced friendship for the Russian people and a wish for their success as they struggle for more intellectual freedom and for economic progress or for living standards. Just how do they and we and other peoples fare in the world-wide struggle against poverty and for economic abundance and security? Behind today's headlines and tensions and talk of a possible world war, which no sane leader on either side can want, there is the decisive, continuing contest for the allegiance of the world's uncommitted peoples between rival and sharply differing economic systems. Apart from the propaganda claims on all sides, what do the most reliable facts available show as to the economic progress or difficulties or trends in the major economies? For an answer we go to the valuable reports of the United Nations, including the latest *World Economic Survey*, *Economic Survey of Europe*, and *Economic Survey of Asia and Far East*, published respectively in New York, Geneva, and Bangkok. For up-to-date developments we use the more frequently published *United Nations Economic Bulletin for Europe*, and the *World Economic Survey* summaries published this month by the *New York Times*.

The last *World Economic Survey* is unique in that it not only gives us the usual annual report of economic developments, but also summarizes those for the entire first post World War II decade—the first decade of the United Nations. In this summary comparison is made between production and trade of the private enterprise economies and the centrally planned economies.

PRIVATE ENTERPRISE ECONOMIES:

War Decade Production

In the private enterprise economies . . . decade of depression "before the war" has been followed by general post-war growth. This growth, though marked, has not been even, uninterrupted without crises. Nor does the U.N. Survey assure the growth continuation in the second post-war decade, since a large part of the growth was made possible through repair and rehabilitation of capacity damage during the war . . . (Future) growth is likely to be retarded as much from the demand as from the supply side. Periodic inadequacy of effective demand to absorb full capacity output has historically menaced the growth of (Private enterprise) economies . . . When long-term investment or consumption reacts adversely, the result may be a depression of significant proportions. During the first post-war decade, as long as investment and consumption have been reinforced by backlog of accumulated demand, the menace of depression has been absent. (But) the problem of ensuring adequate effective long-term demand for full employment and full utilization of resources has not been permanently solved . . .

If the menace of industrial depressions has been absent in the first post-war decade, the problem of economic instability has by no means been minor . . . The record has dramatized the powerful forces of economic instability. . . . The post-war period is one of rapid growth accompanied by oscillation between inflation and deflation. Through 1948 virtually all (private enterprise) countries were in severe inflation. At the end of 1948 came a brief recession in the U. S. reflecting a temporary faltering of demand. This was reversed in (late) 1949. Expansion quickened in 1950 and 1951 (with the Korean war), but in western Europe output levelled off in 1952. In 1953-54, a mild recession set in again in the U. S. as the economy adjusted to a cutback in military expenditures. Recovery set in around the middle of 1954. Output

The Methodist Federation for Social Action, an unofficial membership organization, founded in 1907, seeks to deepen within the Church, the sense of social obligation and opportunity to study, from the Christian point of view, social problems and their solutions and to promote social action in the spirit of Jesus. The Federation stands for the complete abolition of war. The Federation rejects the method of the struggle for profit as the economic base for society and seeks to replace it with social-economic planning to develop a society without class or group discriminations and privileges. In seeking these objectives, the Federation does not commit its members to any specific program, but remains an inspirational and educational agency, proposing social changes by democratic decisions, not by violence.

(rose) to new peaks in 1955. . . . By 1954-55 several countries were beginning to experience inflation again.

More up-to-date problems include the Suez-accentuated crisis facing England, France, and western Europe, and the continuing prolonged economic stagnation of Argentina and Denmark. The N. Y. Times of Jan. 3, 1957 reports "Closing of Suez has brought Britain to the brink of a grave economic crisis. Her reserves have fallen to the lowest level since 1952. Trade Distortion as Result of Suez Overshadows Battle on Inflation." Another article begins, "France's Progress is Grinding to a Halt—Decline of \$500,000,000 in Paris' Reserves May Bring Policy Change," and we read of "the increasingly heavy burden of fiscal and social expenses . . . spread of inflation . . . difficulties in maintaining production levels."

The U.N. *World Economic Survey* divides the post-war decade into four periods: Immediate Post-War Crises, through 1948; from Acute Crises to Chronic Difficulties, up to the Korean war; The Korean Phase, through 1952; and Current Expansion, up to 1956. The first period saw serious inflation with relaxation of wartime controls and balance of payment crises especially for England—but recovery of pre-war output levels. Thanks largely to international aid, that recovery was considerably speedier than after World War I. The second period saw acute dollar shortage for other countries and also recession in the U.S. (with) "mild domestic consequences (but) far-reaching external repercussions as U. S. import demand fell far more sharply than output. . . . contributing to devaluation of sterling and other currencies in the autumn of 1949." The third Korean phase

was dominated by the boom and collapse in raw materials which accompanied Korean hostilities and the period of readjustment. Decisions to raise military expenditures gave rise (to) sharp upswing in speculative inventory accumulation, acceleration of orders for investment and consumer goods in anticipation of shortage and rising prices, a world-wide expansion of output and exceptional raw materials boom. Concern over developing surpluses and recessionary tendencies of a year earlier quickly gave way to anxiety over scarcities and inflationary pressures . . .

The raw materials boom collapsed almost as quickly as it had begun when it became evident that military operations and outlays would be limited. . . . Many world prices of raw materials tumbled when demand for inventory accumulation gave way to large-scale liquidation. Consumption also slackened. . . . Growth of output slackened first in western Europe where a considerable slump developed in the textile industry. Under-developed countries (experienced) decline in export earnings, downward revisions in investment decisions, deficits in balances of payments, foreign exchange crises (leading them) to tighten trade and exchange controls again and revise (downward) their development programmes.

The fourth post-war period has been one of expansion "interrupted by mild recession in the U. S. in 1953-54," following "a cutback in military outlays. This recession had little adverse effect on the world economy."

Particularly acute have been problems of "traditional exporters such as Burma and Thailand" due to agricultural expansion in food importing countries and "large surpluses in some countries (notably the U. S.) and uncertainty (as) to their disposal."

Postwar Production Growth

Total agricultural and industrial output have grown markedly in developed private enterprise countries as compared to pre-war (1938)—more than doubling in North America (Canada and the U. S.) and rising by about 40 per cent in western Europe. The former area's output rise was most marked before 1948, and

the latter's thereafter. Except for "Argentina, virtually stagnant since 1948," there has been output rise in the under-developed countries also since 1948 but "substantially below that in western Europe." The phenomenal rise in west Germany output largely accounts for the west Europe record. Population growth has absorbed much of the output rise, especially in the under-developed areas, where the per capita output rise over pre-war is only 5 per cent compared to some 25 per cent in western Europe. Manufacturing growth has been the major force behind general output growth.

A decreasing share of the enlarged output has gone for consumption for a number of reasons: allocation of more output to investment, continuous inflation in many countries, "North America food surpluses . . . a problem of major importance," and the high post-war "level of taxation," curtailing purchasing power.

Growing Gulf Between Developed and Undeveloped Countries

The U.N. Survey accents "the widening gap between developed and under-developed" private enterprise "countries in per capita output and in their stock of capital equipment . . ." In the latter there is still little in the way of heavy industry (towards which there has been a shift in the U. S. and more developed countries). Nor has the iron and steel industry, basic to heavy industry, grown in the under-developed countries with a few exceptions. One is India now building three new steel mills and raising its steel capacity by 3 million tons "with financial and technical aid from west Germany, the U.S.S.R., and the United Kingdom."

Some major branches of manufacturing are non-existent or in embryonic state in the less developed regions, and since rates of growth in these branches—as, e.g., the engineering industry—have been at a high level in the industrial regions, the share of the less developed regions in world manufacturing output as a whole has not increased during the post-war years.

Unemployment and under-employment is widespread in the under-developed lands. "Industrialization has thus far not progressed sufficiently to provide productive employment for more than a small fraction of the annual increment to the labour force." But in the developed countries unemployment has not been a major problem in the post-war period with the exception of "Belgium, Denmark, west Germany and Italy."

Another factor in output growth in developed countries (in addition to relatively full employment) is the advance in per capita productivity—about one-half in the U. S. between pre-war and 1954. Part of the rise in the U. S. and Canada and west Europe is from the large shift from less productive agricultural labor to more mechanized and productive factory labor. But in contrast to the rise in productivity in the developed countries, progress in under-developed countries generally appears quite limited. . . . Far from declining the agricultural population in such areas has grown substantially. . . . There (is) no significant increase in per capita farm output in the under-developed regions of the world. . . . Volume of disguised unemployment on the farms appears to have increased, at least in absolute numbers.

West European and U. S. Economies In 1956

The Economic Bulletin for Europe shows growth in industrial output in most western European countries continued in 1956. But in Britain "total industrial output has fallen decisively below the level reached at the end of last year . . . (with) deepening recession in the motor-car industry . . . stagnation of production in chemicals and textiles . . . unemployment slightly higher than a year earlier." This report was before the Suez debacle which has not helped. On the continent exceptions noted to the general output rise were: Denmark with "no sign yet of any general recovery from the long period of stagnation of output;" Sweden with recent "industrial production rising only very slowly, if at all;" and Italy where "growth of demand and output has slowed down and registered unemployment is again rising."

The N. Y. Times of Jan. 2, 1957 reports that the U. S. economy in 1956 reached new highs in employment, income, industrial production, gross national product, and retail sales. Prices or living costs also reached a new record. Business profits apparently dropped slightly from the record of 1955. The steady 1949-55 stock market climb stopped. Farmers fared better than in 1955—first improvement since 1951. But farm income was still far short of that in 1950, and "agriculture continued to lag behind the rest of the economy." And at year's end there were anxieties as to the future:

If it was not the Suez crisis it was inflation. If it was not tight money it was increasing evidence supply was catching up with de-

mand. End of the boom is becoming more clearly visible to more peerers into the future.

The rate of output rise slackened noticeably:

For the first 11 months of 1956 as measured by the Federal reserve board's index, production wavered only between 141 and except for July when the steel strike pulled it down to 136. If deferred demand had not pushed up production in the last four months the year might have shown a net decline. The 147 mark last November was largely due to rising automobile production.

The same author reported some economists alarmed "Investment—largely in the capacity to produce consumer goods—rose faster and faster as consumer's demand for goods, durable and non-durable, slackened."

He held "a decision for or against truly disastrous inflation must be made very shortly," and that "pouring into the credit full-employment economy the money necessary (for) rollbacks of the former 2½ per cent interest rate on government bonds) would threaten a boom and later a bust that could make 1929-30 mere wrinkle in economic graphs." One is reminded of Secretary of the Treasury Humphrey's statement the other day in commenting on our huge, largely military budget that unless we find ways to cut federal spending and budgets, we shall have depression that will "curl your hair."

Returning to the U.N. World Economic Survey we consider the report of post-war economic trends in the centrally planned economies.

Centrally Planned Economies: Production and Trade

Post-war Institutional Changes

In a few years after World War II, Eastern Europe completed nationalizing nearly all industry, wholesale trade, banking and most retail trade. China began in 1949 and moved more slowly in the case of industry, but by now has nationalized most industry either wholly or partly by forming joint state-private enterprises. There were also in East Europe

extensive post-war agrarian reforms, large landed estates were divided among landless peasants and small-holders; about 25 per cent of total agricultural area in the centrally planned economies changed hands compared to 12 per cent during the inter-war period . . . the reform increased the number of private owners in agriculture.

Collectivization of agriculture was sharply accelerated during 1949. This coincided with accelerated industrialization and was motivated by current needs as well as long-term problems of development of agriculture. Large number of individual farms rendered difficult control of production and disposal of farm output, while small size of holdings was an obstacle to development of modern techniques, to large-scale mechanization, and to release of manpower for industry.

Thus between 20 and 60 per cent of arable land was brought into the state and cooperative sectors of agriculture in many countries with cooperative farms prevailing except for Poland, Romania and Yugoslavia. Yugoslavia first collectivized more extensively than the others but in 1953 permitted peasants to leave collective farms, rent land and hire labor, as "lack of element made collective farming ineffective." There was a sharp drop in collective farms from 5,000 in 1952 to 875 in 1955, and socialist land share (state and cooperative) fell from 26 per cent.

The U.S.S.R. had no such basic post-war institutional changes except for amalgamation of collective farms into large, state units (96,000 from 245,000) in 1952.

China's land reform was about completed by 1952-53. Collective farms were to be formed gradually later after organizing peasants into mutual-aid teams and producers' co-operatives. Eleven per cent were so organized in 1950 and 60 per cent in 1954.

With the concentration of economic power in the hands of the central governments came gradual growth in centralized planning, which

reduced considerably the effect of individual decisions on the rates and rates of growth of the eastern European economies. Economic changes became subject to deliberate decisions of the central authorities which could largely determine distribution of natural and human resources among different uses. It was possible to devote a high proportion of natural product to investment and achieve rates of growth considerably exceeding those of pre-war years.

Overall planning could begin in China with its first five-year plan of economic development in 1953, "after the (post civil war) recovery in production and completion of nationalization of industries and trade."

Growth of Industrial Production

"Increases in industrial production in the centrally planned economies from the pre-war years to 1954 ranged well over

cent; for the U.S.S.R., the increase amounted to nearly 190 per cent, and for the other eastern European countries, excluding Yugoslavia, the average rise was over 150 per cent. These increases are generally considerably larger than for the private enterprise economies." Yugoslavia's pattern was similar until 1945 when its political-economic break with eastern Europe led to inability to get needed fuel and raw materials. That, plus poor harvests, brought output down in 1951 and 1952, but substantial advance reoccurred in 1953 and 1954.

The end of China's civil war in 1949 brought her into the group of centrally planned economies. "Industrial production increased rapidly during 1950-1953." By 1954, its total was far in advance of the pre-civil war peaks, double that of 1950, and triple that of the last civil war year, 1949. Advances were made both in China and in eastern Europe in coal, electric power, iron steel, oil, cement. China's rate of output expansion continued in 1954 with

transition from reconstruction to long-term expansion. Up to 1953, major investment was devoted to restoration and reconstruction of existing capacity, leading to quick increases in output; investment in the 5-year plan beginning in 1953 was concentrated on new plant in large-scale heavy industries, a major part of which was not completed or available for production in 1954.

In all centrally planned economies most marked advance was in the engineering industries . . . key factor in the rise in industrial production." In all these economies also "output of staple manufactured consumer goods, such as textiles and shoes, increased substantially although it lagged behind the rise in total industrial production."

In the output of basic materials, "eastern Europe's share in total world output rose in electric power and substantially so in coal, pig-iron and steel, but fell in crude oil," despite eastern Europe's near doubling of output in crude oil between 1937 and 1944.

The U.N. Survey divides eastern Europe's post-war decade into three periods:

Reconstruction Period, 1945-1948

World War II inflicted "considerably larger damage on eastern European economies" than World War I, but post-war reconstruction was much speedier after World War II. It took from six to 20 years for these countries to regain their 1913 levels of production" after World War I. But by 1948, output was already much higher than pre-war in Bulgaria, Hungary and Poland, and higher also in the U.S.S.R. and Czechoslovakia. The survey gives major credit for "the much more rapid recovery after World War II" to "the concentrated effort of the central authorities to overcome the war damage to their economies . . . and to set in reconstruction plans for total industrial production to be reached in all these countries and substantially exceeded in Hungary, Poland and the Soviet Union."

Period of Accelerated Development, 1949-1953

The reconstruction plans were succeeded by long-term development plans providing "higher rates of increase in output of producer goods than for consumer goods or for output in agriculture or other sectors serving the consumer. Difficulties arose in the rapid rate of growth and from the pattern of development. In conjunction with rapid increase in military expenditure on investment, the slow rise in consumer supplies led to severe inflationary pressure and to a decline in real wages in Poland, Czechoslovakia, Hungary. (But) in the Soviet Union increases in output of consumer goods were sufficient to maintain a continuous increase in real wages from 1947 on." These facts and contrasts may throw light on the recent discontent and anti-Communist feeling manifest in Poland and Hungary.

Revisions of Plans, 1953-54

"Reappraisals of past policies and slowing down of industrialization" and reallocation of resources in favor of consumers in agriculture were emphasized in 1953 and 1954. This, plus "increase in imports of consumer goods and release of stocks, led to relaxation of inflationary pressure and a substantial increase in real wages, which offset the previous decline. During 1953-54, disproportions of the preceding period were attended."

The difficulties and plan revisions, notwithstanding, the post-war decade had been one of sharp, steady industrial output expansion based on

noticeable increases in industrial employment and in output per man. . . . High rates of increase in output per man were achieved through mod-

ernization of equipment, improvements in organization of work, extension of the incentive pay system and periodical upward revisions in basic norms of performance.

The Slow Recovery In Agriculture

"In contrast to the extremely rapid expansion of industry, agricultural production increased very slightly compared with pre-war. Agricultural production per capita at the end of the post-war decade may have been about 5 per cent higher than before the war. . . . Both in grain and in livestock, increases in output were much more pronounced in the Soviet Union than in the remaining European countries. In China, agricultural production recovered rapidly after 1949; in that year food grain output was 75 per cent of 1936, but in 1954 exceeded pre-war by one-sixth."

A Decade of National Income Growth

"National income increased considerably during the post-war decade in all centrally planned economies . . . from about 60 to over 100 per cent above pre-war levels. Consumption in 1954 was significantly above pre-war levels both on an aggregate and on a per capita basis. While agricultural production was only about 10 per cent above pre-war levels, food consumption rose (more due to) changes in foreign trade. Consumption of manufactured goods (e.g., textiles and shoes) generally rose much more than of food."

Expansion of Foreign Trade

Despite reorientation of foreign trade away from private enterprise economies due to political cold war tensions and embargoes, total foreign trade of these centrally planned economies (mostly with one another) expanded vastly after the war. The U.S.S.R.'s total foreign trade grew "more than four times as large as before the war."

Latest Economic Trends In Centrally Planned Economies

"Industrial production in all centrally planned economies rose in 1955." Agricultural production also showed a marked rise due both to better weather and to the new pro-agriculture policies: "increased supplies of fertilizers, farm machinery, equipment and building materials, reduced taxation and delivery quotas, higher government prices for farm produce and greater supplies of industrial consumer goods for rural areas. The share of agriculture in national product increased in 1955 in several countries."

"Available manpower was probably increased by reduction in the armed forces. Acceleration in both industrial and agricultural production led to a larger rise in national income in 1955 than in 1954 in most centrally planned economies. . . . In Poland, Romania and the Soviet Union, average peasant incomes rose by 7, 15 and 7 per cent, respectively, in 1955 while real wages rose by 6, 8 and 3 per cent."

Foreign trade continued to expand in 1955—and most of all with private enterprise countries outside the group.

In 1956, the eastern European countries embarked on ambitious, new 5-year plans with very high agricultural and industrial targets. In 1953, China had launched its first 5-year plan emphasizing "investment in large-scale heavy industry as foundation for future rapid development." Industrial production rose "at a rate higher than that provided in the plan," so "the government revised upwards the planned rate of increase (from 15 to 22 per cent in 1956) to advance by one year the date of completion of the first 5-year plan."

The U.N. Economic Bulletin for Europe informs us that in eastern Europe "the industrial output plans for the first half of 1956 were fulfilled, with a margin of 3 per cent or more, save

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for eastern Germany's shortfall of 2 per cent." Output increases "over a year earlier ranged from 13½ per cent in Bulgaria and 12 per cent in the Soviet Union to 7 per cent in Hungary and eastern Germany." The output rise was mainly due to increased productivity. But more manpower for more production is being made available by "release of 1.2 million men from the Soviet armed forces during the year up to May, 1957." This is in addition to the release in 1955 of 640,000. Other eastern European countries also gained manpower for production increase by reducing their armed forces in 1955 and again currently. This will help ease "the acute shortage of labour."

The agricultural situation was also good in 1956. The U.S.S.R.'s crop area reached a new high, 194 million hectares—"37 million more than in 1953, year before the virgin lands campaign started." In the first half of 1956, "fertilizer supplies were spectacularly bigger" as were "deliveries of machinery and equipment to agriculture—50 per cent more than in 1955 for tractors and 25 per cent more grain combines." Throughout eastern Europe increased "mechanization of field work has been considerable."

"The new 5-year plans all envisage considerable increases in personal consumption, and the record of the first half-year shows progress has in fact been made. (But) the rate of increase planned for 1956 lagged behind popular expectations in some countries, notably eastern Germany, Hungary and Poland."

In Poland impatience was demonstrated by the general strike in Poznan June 28—attributed chiefly to general desire for improved living standards—but also in the tone of the remarkably free public discussion of economic policy. . . . In eastern Europe it is now becoming the tendency to question whether attainment of large planned increases in investment volume and gross industrial output are sufficient indicators of success, if attained at the expense of welfare. Indeed, several governments seem to be moving towards broadening the criteria of planning and development, also towards broadening of the decision-taking process. Measures for decentralization of planning and for freeing small units from large controls and large units from small controls have already borne fruit in Polish industry and agriculture. The Polish planning authorities seem now to consider that in present circumstances an increment in consumption must precede any increment in efficiency, and that a plan for large production increases may meet with workers' apathy, unless all are convinced of the social justice of the plan.

The above throws light on recent unrest in Poland and Hungary, as does the following from this U.N. Bulletin of last August:

In two countries there is some frictional unemployment. In Poland, 300,000 persons, or 4½ per cent of those employed in the socialist sector, were without work in June, and both in Poland and Hungary absorption of school leavers into the labour force is proving slower than usual. In Budapest, one-third of the 14,000 to 15,000 young persons in the 14 to 15-year age group did not at once find work, and difficulties are expected with employment of those of the 16 to 18-year age group who so far have had only seasonal employment on the land.

This may help explain the revolt of Hungary's youth as well as workers. That revolt brought repression, and the grave, adverse economic effects will doubtless be obvious in U.N. economic surveys to come.

Even so the N. Y. Times world economic summary of Jan. 3, 1957 reports that "Even despite the political and economic crisis that raged at year's end, the Communist world set new production records in heavy industry for 1956. Soviet agriculture had a banner year . . . a massive harvest, largest in the history of Russia. The Soviet Union made significant strides in 1956 toward overtaking the booming United States economy. The Soviet Union and several eastern European countries raised minimum wages and pensions, shortened working hours, and relaxed the compulsion affecting workers. Czechoslovakia reduced prices somewhat at year's end."

Decisive, unanswered question is the extent to which the cold war and arms race are to be revived. In the Soviet world we may expect strong economic pressure against this. As the N. Y. Times points out, "For the Communist leaders to raise military manpower and military spending would divert resources needed if consumers' wishes were to be met." J.R.M.

MFSA EXECUTIVE COMMITTEE TO MEET

The next quarterly meeting of the Executive Committee of the Federation, which members of the National Committee are also urged to attend, will be held February 21, 1957, beginning at 3:00 p. m., closing by 9:00 p. m. in Room 301, Chicago Temple.

Other MFSA members are invited to be present. All are urged to forward ideas on time and place of 1957 Golden Anniversary meeting. A definite decision will be made on this meeting. Suggestions for action resolutions will be welcome.

LOYD F. WORLEY, President MFSA.

BEHIND THE HEADLINES

In the area of civil rights the most far reaching event of past year was the long non-violent resistance to segregation on the buses by the 50,000 Negroes in Montgomery, Alabama "the cradle of the Confederacy," and its recent extension Birmingham and Tallahassee, the capital of Florida. Not equal to this has appeared in our history, and its national influence indicates that it will affect the whole course of struggle of the Negroes to get equal rights and opportunities.

The motivation of this crusade was religious. It was led by ministers of the gospel. With due acknowledgment to Gandhi was based upon the principles laid down by the carpenter of Nazareth. Its morale was developed and directed in mass religious meetings. Its members walked to and from their work or rode in their own car pool. They were pledged to non-violent resistance to segregation. If slugged, they were told not to back: "That's the way riots start." When the homes of minister leaders in the two Alabama cities were bombed, one of them also shot into, their quiet reply was, "If we killed there are still 50,000 Negroes to carry on."

This planned non-violent resistance to injustice expressed simple faith of a people who have been nurtured on spirit like, "Let my people go," who believe the teaching and example of Jesus are to be followed in action, not just read, heard or approved. With the help of the Supreme Court, and the approval of many white southern citizens, this kind of faith and action is winning on the bus question. How long it will take to win on the more difficult school question depends upon how much white cooperation it can secure. The courageous actions of some white ministers in Kentucky and Tennessee, and the securing of federal aid in the latter state to stop the violence of white supremacy fanatics are signs of hope. The final test comes in those states where the Negro is denied, or cheated out of, the right to vote. Because this affects the nature of Congress, particularly the Senate, this issue is as vital for our white population as it is for the colored. When they take it up in earnest, a Judgment Day comes to the white churches and ministers the land over.

In the broader field of civil rights one issue on which courts began last year to take action is the use of paid informers and witnesses in political cases. They have also been used, as we too well know, in the attempt of reaction to limit the expression of the religious conscience. The wide protest against the use of admitted and proved perjury compelled the Department of Justice to drop some of the worst from their yearly reports. But they are still being used by Congressional Committees and the Subversive Activities Control Board. Also new ones are constantly appearing from the FBI spies in leftist organizations.

The Federal courts are moving to stop their anonymous informers and give those accused by government agencies the constitutional right to face their accusers. The Department of Justice is fighting this move and the State Department, in the refusal of passports, is evading it. But this is a matter where reforms will suffice. Paid informers belong to the police state, not to a democracy. Until the government is compelled by an awakened citizenship to stop hiring political spies, the foundations of democracy will be progressively undermined. Organized religion has another reason for joining in that demand. "Thou shalt not bear false witness" certainly means thou shalt not use paid informers; and equally thou shalt not pay them because, as the Bible story proves, that inclines them to produce the kind of testimony they know their employers want.

Another point on which we have unfinished business is the right of the religious conscience to express itself under the clause of the First Amendment. In the last months of the year, there was an increase of citations and convictions for contempt of Congress for claiming the First Amendment against its committees, including some whose conscience would not let them turn informers. In the recent cases, as earlier, the Supreme Court continues to evade the issue by acquitting on procedural grounds. Here again there is finally only one remedy. It is the abolition of the Committees who have unconstitutionally been given a charter to roam at will as witch hunters of Un-American subversive propaganda, or dangers to internal security. Freedom of Propaganda is included in freedom of speech and press; terms Un-American, subversive are too vague to be grounds for punishment. We correctly stand for the abolition of such Committees. But what are we doing about it? H.F.N.